



U.S. ARMY MATERIEL COMMAND



Strategic Sourcing & Commodity Councils: Teaming for Success

2006 Veterans and Service-Disabled
Small Business Conference

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Presentation Outline

- About AMC
- Strategic Sourcing and Purchasing & Supply Management - new realities
- The need to team
- An award winning example - what, why, how
- Teaming considerations & tips
- Sources of information on 40mm teaming

40mm grenade family systems acquisition



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Unclassified

U.S. Army Materiel Command



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Unclassified

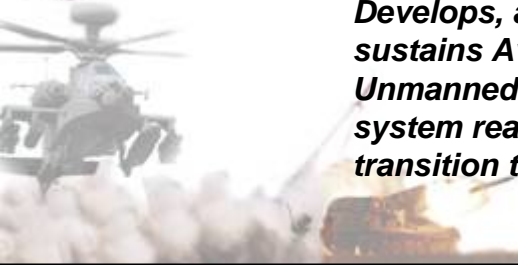


AMC Major Subordinate Commands (Acquisition)



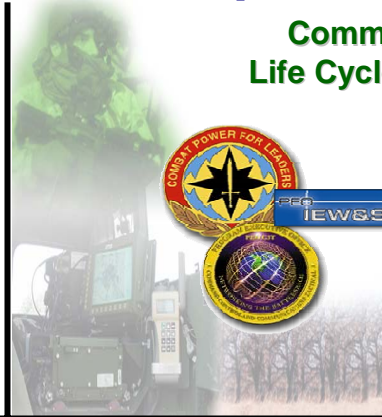
Aviation and Missile Life Cycle Management Command

Develops, acquires, fields, and sustains Aviation, Missile and Unmanned Vehicle systems, ensuring system readiness with seamless transition to combat operations



Communications-Electronics Life Cycle Management Command

Develops, acquires, fields and sustains superior Command and Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems for the joint warfighter - sustaining base, operational, and tactical battlespace

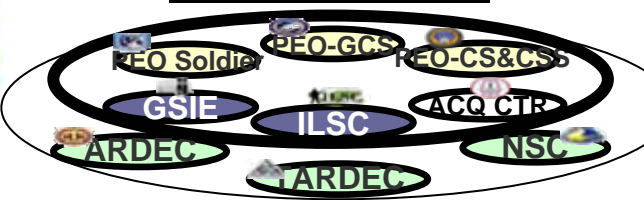


TACOM Life Cycle Management Command

Develops, acquires, fields, and sustains Soldier and ground systems for the Warfighter through the integration of effective and timely acquisition, logistics, and cutting-edge technology



COMMAND ENTERPRISE



Army Sustainment Command Joint Munitions Command

Integrates AMC logistics and provides joint munitions essential to the Combatant Commanders' (COCOM) ability to conduct peacetime and wartime operations



Research, Development & Engineering Command

Gets the right integrated technologies into the hands of warfighters quicker



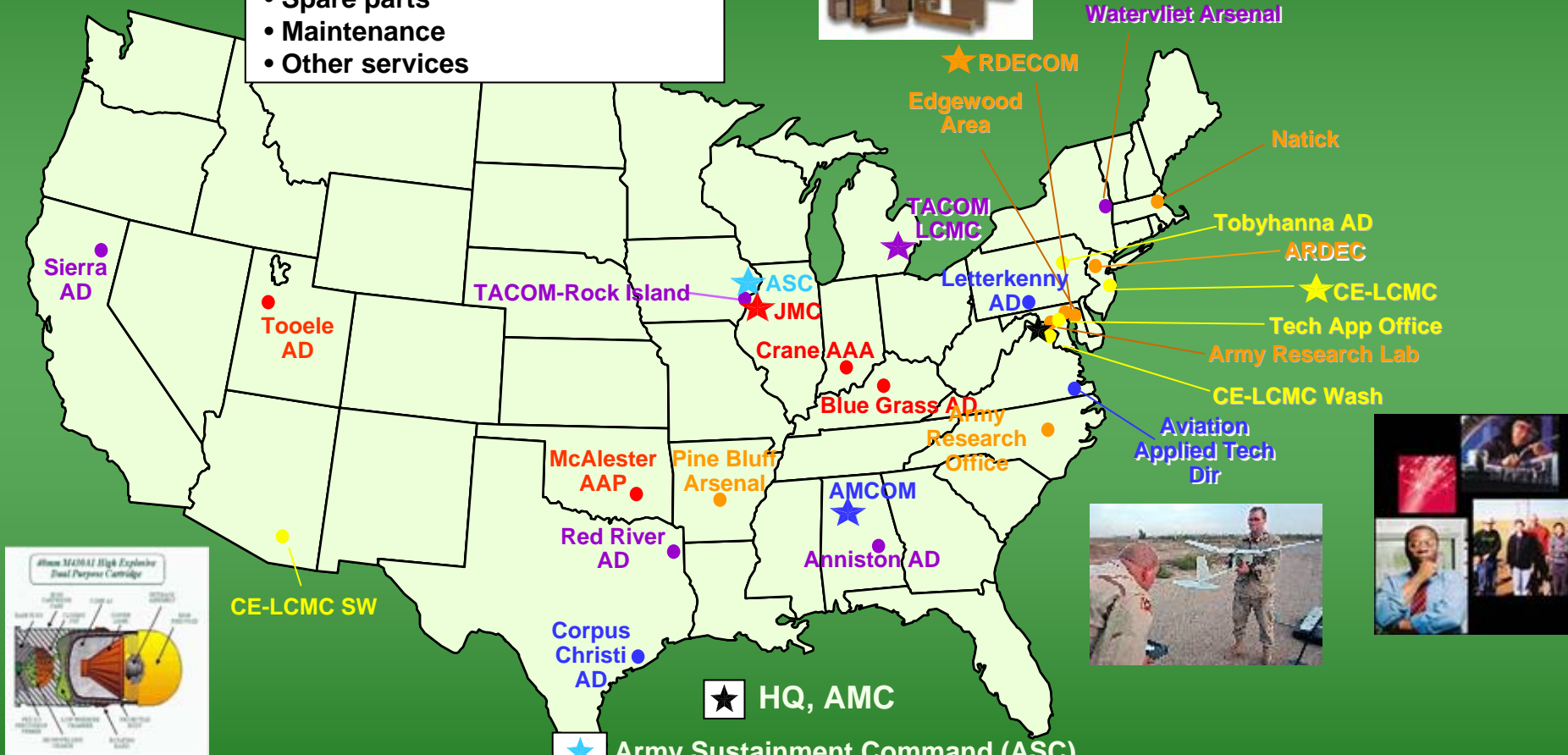


AMC Small Business Offices



AMC contracts for:

- Weapon systems/transformation
- R&D
- Spare parts
- Maintenance
- Other services



Small Business Specialists

Full Time - 37

Part Time - 18

AMC Small Business Program Contacts

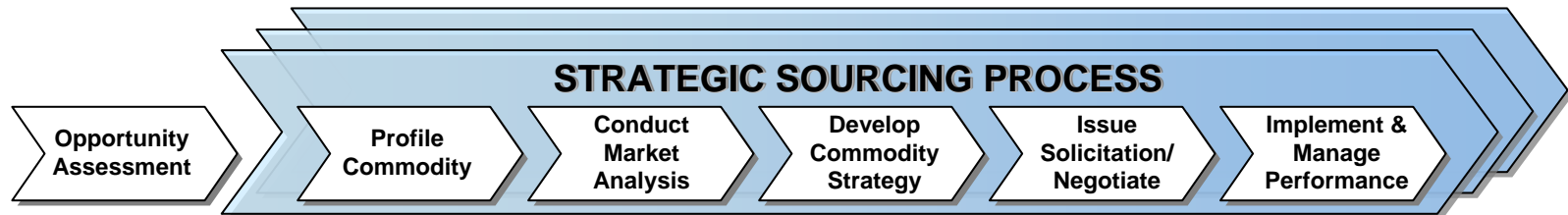
- **Headquarters AMC, Fort Belvoir, VA**
 - Scott Crosson, (703) 806-9185, scott.crossson@us.army.mil
- **Aviation and Missile LCMC, Redstone Arsenal, AL**
 - David Seitz - (256) 876-5441, david.seitz@us.army.mil
- **Army Sustainment Command (w/Joint Munitions Command), Rock Island Arsenal, IL**
 - Robert Matthys - (309) 782-7302, robert.matthys@us.army.mil
- **Communications-Electronics LCMC, Fort Monmouth, NJ**
 - Marcia Easton - (732) 532-5412, marcia.easton@us.army.mil
- **Research, Development & Engineering Command, Aberdeen Proving Ground, MD**
 - John O'Brien - (410) 439-3349, john.obrien5@us.army.mil
- **TACOM LCMC, Warren MI**
 - Patricia Redding - (586) 574-5381, patricia.a.ronan@us.army.mil

Learn more about AMC at <http://www.amc.army.mil>



What is Strategic Sourcing?

■ The leveraging of an organization's buying power to obtain goods and services at better life cycle terms, conditions and results



■ A systematic process that incorporates enterprise spend analysis, supplier relations, demand management, and stakeholder needs into sourcing decisions

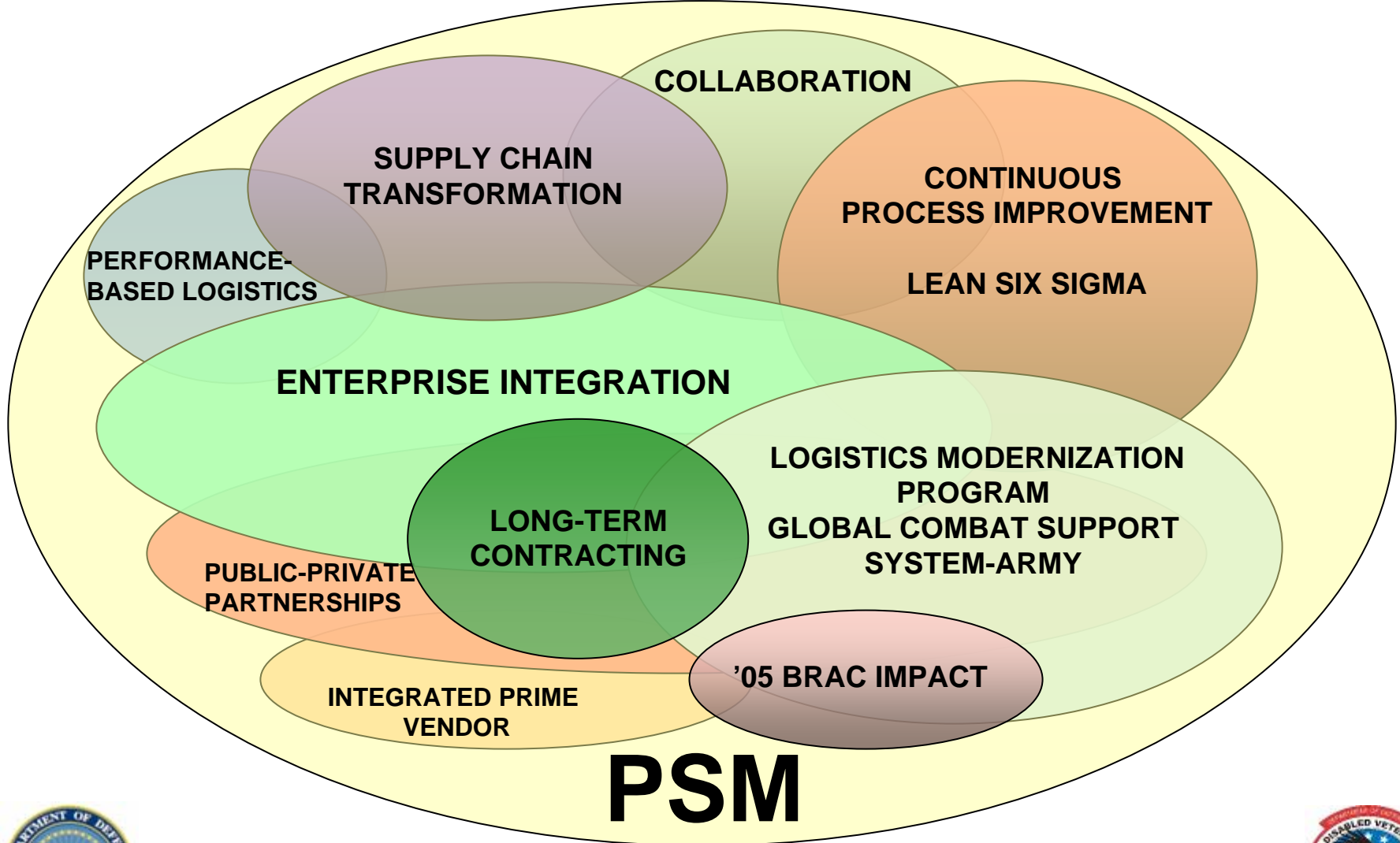
Strategic Sourcing transforms purchasing from a transaction-oriented process to a driver for optimal quality and performance at more beneficial life-cycle costs





Purchasing & Supply Management (PSM)

PSM in AMC involves



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Teams

*AMC & small businesses.....
working together to support
America's Warfighters*

**Thomas Edison, when asked why he had a team
of twenty-one assistants.....**

“If I could solve all the problems myself, I would.”



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Why Team?

- Greater opportunities for industry & government
 - $2 + 2 = 5$ Complementary skills enhance value
 - Develop new capabilities and build strategic relationships
 - Competitive advantages
 - Expand the small business pie

Drivers

- Larger, more complex, longer term contracts
 - Systems approaches, enterprise-wide solutions, resource constraints
- Fewer opportunities in individual core business areas
- Global marketplace and technology

***“He that will not apply new remedies must expect new evils;
for time is the greatest innovator.”***

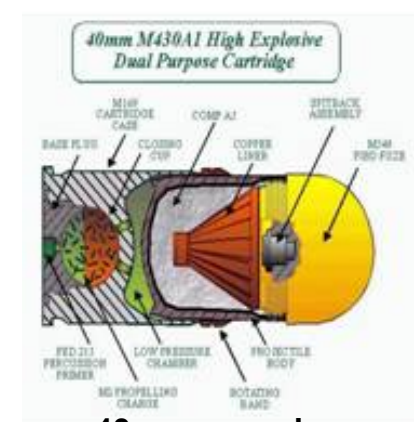
Francis Bacon





An Award Winning Strategy

- Largest set-aside in Army history - \$1.3B (5 years)
- 2005 Packard Award and DoD SB PM of the Year
- Necessity as mother of invention
- Two systems contracts - small & small disadvantaged
 - Industry supply chain management, efficiencies, innovation
 - Reduced lead time with stable costs
 - Significant SB participation - all levels
 - Increased “program” credit
- Collaboration, collaboration, collaboration



40mm grenade





What, Why & How

- **What** - 28 contracts to 5 via 2 set-aside systems contracts and retention of 8(a) component contracts
- **Why** - Existing strategy was broken
- **How** - Early and continuous collaboration by all

Industry is “industrious” about teaming strategies



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Considerations & Tips



- Increased social/business contacts = increased opportunities
- Know SBA rules of engagement – very complex
- Offer real solutions – know the customer's challenges
- Ensure competitiveness as a subcontractor
- Understand who you can both work & compete with
- Exhibit and seek trust ethics, results & LT opportunities
- Due diligence – world class partner, good credentials & low risk
- Change in philosophy is necessary for success
- Teaming & JVs are like a marriages – know your partner

It is not the strongest that will survive, nor the most intelligent, but the one most responsive to change.

Charles Darwin





Teaming Contacts & References



- Program Management
 - Bob Kowalski - (973) 724-2780 robert.kowalski1@us.army.mil
- Contracting
 - Jim Prather - (309) 782-3784 james.prather@us.army.mil
- Small Business
 - Steve Sullivan - (309) 782-5336 steve.sullivan@us.army.mil
- Size determination for JV and teams - **FAR 19.101(7)(i)**
- Contractor Team Arrangements - **FAR 9.6**
- “Relaxed rule” & other affiliation exclusions - **13 CFR 121.103(f)(3)**
- Beware of LB as ostensible subcontractor - **13 CFR 121.103(f)(4)**
- Details of limitations on subcontracting - **52.219-14 & 13 CFR 125.6**
- 8(a) regulations - **13 CFR 124**
- Code of Federal Regulations on-line - <http://ecfr.gpoaccess.gov>

